

UNREGULATED UTILITY POWER COST EQUALIZATION MEMORANDUM

Date: December 1, 2022
Filing Due Date: April 30, 2022

File No.: PC07-0422 Date Filed: September 6, 2022^{1,2}

Name of Utility: Puvurnaq Power Company Cert. No. 395

☒ Annual Update ☐ COPA Review
☒ Fuel Price Change ☐ Non-Fuel Cost Change
☐ Base Rate Change ☐ kWh Sales Change
☐ Other

STAFF RECOMMENDATIONS: Approval of updated Permanent PCE amounts (see attached memo)

PCE AMOUNT SUMMARY	Previously Approved	Staff Recommended
PCE AMOUNTS (In Cents/kWh)	<u>Date Approved:</u> July 16, 2022	
Safewater Facilities	26.10¢	38.34¢
All Others	26.10¢	38.34¢

Signed: Brenda Cox Brenda Cox Utility Financial Analyst
 Commission decision re. this recommendation:

	Date (if different from 12/1/22)	I Concur	I Do Not Concur	I Will Write A Dissenting Statement *
Kurber	_____	<u>JWW</u> for KKII <small>JWW</small>	_____	_____
Doyle	_____	<u>BD</u> <small>BD</small>	_____	_____
Pickett	_____	<u>BP</u> <small>BP</small>	_____	_____
Sullivan	_____	<u>DS</u> <small>DS</small>	_____	_____
Wilson	_____	<u>JWW</u> <small>JWW</small>	_____	_____

¹ On April 28, 2022, Letter Order L2200141 extended the filing due date to June 30, 2022.

² On April 16, 2020, Commissioner Pickett sent a letter to Curtis Thayer, Executive Director at the Alaska Energy Authority (AEA), advising AEA the RCA would cease recommending suspension of utility's PCE disbursements, solely due to non-compliance with filing requirements.

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

Memorandum

TO: Keith Kurber II, Chairman
Robert A. Doyle
Robert M. Pickett
Daniel A. Sullivan
Janis W. Wilson

DATE: December 1, 2022

FROM: Brenda Cox
Utility Financial Analyst

RE: Puvurnaq Power Company
PC07-0422

Recommendations

1. Updated PCE amounts should be effective for bills rendered on or after December 2, 2022.
2. Approval should be: ☒ Permanent ☐ Interim
3. Standard reminder language for notice specifications, efficiency and rate changes should be included in the By Direction Letter to the utility.

Background

On April 28, 2022, the Commission extended Puvurnaq Power Company's (PPC) filing of its 2022 Power Cost Equalization (PCE) annual report (annual report) from April 30, 2022 until June 30, 2022.³ PPC filed its 2022 PCE annual report on September 6, 2022, for the test year ending December 31, 2021 (FY21). On October 26, 2022, PPC filed its PCE Fuel Report for fuel purchased in 2022.⁴ PPC filed several supplements.⁵ Staff's contact for this filing was Mr. Roderick Phillip, General Manager, and Ms. Connie Fredenberg, consultant.

³ See Letter Order L2200141, dated April 28, 2022.

⁴ See 2020/2021 PCE Fuel Report (11/01/2020-10/31/2022), filed October 26, 2022

⁵ See Supplements filed September 26, 2022 (Trial Balance), September 27, 2022, October 21, 2022, November 10, 2022, and November 14, 2022.

Summary

After Staff proposed adjustments, PPC's total costs per kiloWatt-hour (kWh) have increased by 12.88¢/kWh from prior approved costs of 47.06¢/kWh to 59.94¢/kWh (FY21). PPC's reported fuel efficiency decreased from 12.31 kWh/gallon (FY16) to 11.95 kWh/gallon (FY21). PPC's reported line loss increased from 9.50% (FY16) to 15.19% (FY21). Staff's detailed analysis of this filing follows:

Analysis

Non-Fuel Costs

Total reported non-fuel costs increased by \$187,271 from \$347,659 (FY16) to \$534,930 (FY21). Staff attempted to verify the Income Statement with the Trial Balance. Staff reviewed PPC's non-fuel costs by category noting the following (see Schedule BKC-2):

Personnel Expenses increased by \$55,011 from \$231,232 (FY16) to \$286,243 (FY21). Staff noted Workers' Compensation (WC) in the amount of \$1,506 was reported. Staff asked PPC to confirm this amount and PPC advised some WC was included with other insurance costs.⁶ Staff contacted PPC requesting additional information or a copy of the Insurance Policy.⁷ PPC provided a copy of its Insurance Policy which showed WC had been amended to \$5,610 plus a \$150 broker fee.⁸ Staff recommends increasing reported WC expense in the amount of \$1,506 by \$4,254 to equal \$5,760 (\$5,610 + \$150). Staff recommends **Adjustment 1 (Appendix 2)** to increase *Personnel Expenses* by \$5,760.

Operating Expenses increased by \$111,649 from \$25,209 (FY16) to \$136,858 (FY21). Staff noted \$118,497 reported in Generator Repairs and Maintenance and asked for a Transaction Detail by Account report. PPC Provided a Profit & Loss Detail.⁹ Staff noted the following costs related to a JD6135¹⁰ engine on the Profit & Loss Detail:

⁶ See Supplement filed October 21, 2022.

⁷ Staff call Ms. Fredenberg on November 14, 2022.

⁸ See Supplement filed November 14, 2022. Staff used the premium for July 29, 2021 through July 29, 2022.

⁹ See Supplement filed November 10, 2022.

¹⁰ On the Profit & Loss Detail one account is labeled Generator 4/6185, however PPC later noted it should be 4/6135.

March 2, 2021	JD6135 engine and set up	\$69,296 ¹¹
June 22, 2021	Freight for JD6135 Genset (SEA-ANC)	\$ 6.947
June 22, 2021	Freight for JD6135 Genset (ANC-BET)	<u>\$ 7,659</u>
Total		\$74,709

PPC advised the label 6135 is for the genset #4 and it is not installed yet. Additionally, Staff noted on the Profit & Loss Detail \$23,589 reported as Other Income with a description of KTC-American Relief Plan/HUD, freight for new generator. Staff recommends the \$74,709 be reclassified to the Schedule of Deprecation to begin depreciating once it is placed in service. Additionally, when placed on the Schedule of Depreciation the total of genset #4 should be decreased by the \$23,589 received to cover the freight. Staff recommends **Adjustment 2 (Appendix 2)** to reduce *Operating Expenses* by \$74,709.

General & Administrative Expenses (G&A) decreased \$9,465 from \$76,928 (FY16) to \$67,463 (FY21). Staff asked PPC to provide a Detailed Transaction by Account report for Insurance Expense and Miscellaneous Expenses and PPC provided a Profit & Loss Detail.¹² Staff noted Insurance in the amount of \$23,719 reported under G&A and \$1,506 for Workers Compensation as noted earlier in the Memo. Staff contacted Ms. Fredenberg¹³ and asked for clarification on the amount of Workers Compensation or provide a copy of its Insurance Policy. A copy of the Insurance Policy was provided which shows the premium for Commercial Property in the amount of \$7,989 and Commercial General Liability in the amount of \$1,451.¹⁴ Staff recommends decreasing the reported Insurance in the amount of \$23,719 by \$13,054 to equal \$10,665 (\$7,989 + \$1,451).

PPC also provided a Profit & Loss Detail for Outside Professional Services which Staff noted two entries to Alaska Department of Labor with a description of Contribution, Penalty and Interest Due, one in the amount of \$14.01 and the other in the amount of \$13.43.¹⁵ Penalties and Interest are avoidable costs and Staff recommends disallowing these costs which total \$27.00 (\$14 + \$13).

¹¹ Total reported on Profit & Loss Detail under account Generator 4/6185 is in the amount of \$79,296, Staff decreased it by \$10,000 due to an entry for Statewide Machinery, Inc. reported as a deposit for generator work.

¹² See Supplement filed October 21, 2022.

¹³ Staff called Ms. Fredenberg on November 14, 2022.

¹⁴ See Supplement filed November 14, 2022. Staff used the premium for July 29, 2021 through July 29, 2022.

¹⁵ See Supplement filed October 21, 2022.

Staff asked for copies of three invoices recorded under Miscellaneous Expenses, PPC provided copies of two which Staff reviewed. The items on the invoices appear to be usual costs such as Oil Absorbent Pads, Grinding wheel, Swiffer wet mopping refills, and toner cartridges.¹⁶ PPC did not provide a copy of an invoice for Qemirtalek Coast Corp. in the amount of \$471.55, Staff notes only costs that are supported may be considered in the calculation of PCE amounts.¹⁷ Staff recommends disallowing the \$471.55 because it was not supported.

Staff noted also reported under Miscellaneous Expenses were several entries with the following descriptions: board meeting snacks, coffee, paper cups, and 2022 calendars. Staff notes providing snacks and coffee at a board meeting may encourage attendance however, these are not used and useful in the production of power. Staff recommends disallowing these costs which total \$988.¹⁸

Lastly, Staff noted RCA Fees reported as \$390 on the Income Statement and \$39 on the Profit & Loss Detail. Staff asked PPC what amount it should be and PPC advised it should be \$39.¹⁹ Staff recommends decreasing the reported RCA fees of \$390 by \$351 to equal \$39.

Therefore, Staff recommends **Adjustment 3 (Appendix 2)** to reduce *General & Administrative Expenses* by \$14,891 (\$27 + \$13,054 + \$472 + \$988 + \$351).

Depreciation and Amortization Expense (D&A) increased \$29,705 from \$14,661 (FY16) to \$44,366 (FY21). Staff noted no Depreciation Expense was reported on the Income Statement however, the FY2021 D&A Schedule showed a total of \$20,184 but it actually totaled \$44,366,²⁰ which is the amount Staff reported on the Trend. Staff noted several assets on the D&A schedule were fully depreciated. Staff noted six assets placed in service in 2020 and Staff requested an invoice(s) for the GE Mechanical – Gen #1 Repairs in the amount of \$20,818. PPC provided several invoices which totaled \$28,224 and

¹⁶ See Supplement filed November 10, 2022.

¹⁷ See AS 42.45.110(f) ...Only power costs that are supportable may be considered in calculating power cost equalization. Each electric utility is responsible for keeping records that provide the information necessary to comply with AS 42.45.100 – 42.45.150...

¹⁸ From Miscellaneous Expense Account: \$87.54, \$43.16, \$98.51, \$100.05, \$74.26, \$81.55, \$170.04, \$97.66, and \$234.00.

¹⁹ See Supplement filed October 21, 2022.

²⁰ Staff notes there was an addition error on the Schedule of Depreciation and Amortization filed with the annual report.

explained it found an additional invoice for a Gantry Crane.²¹ After updating the cost for GE Mechanical Gen #1 Repairs to \$28,224 Staff calculated D&A expense to equal \$33,564.

Staff recommends **Adjustment 4 (Appendix 2)** to decrease reported depreciation and amortization expense of \$44,366 by \$10,802 to equal \$33,564.

Interest Expense decreased by \$2,476 from \$2,476 to \$0. Staff recommends no adjustments.

Other Expenses and Revenue Pole Rental revenue of \$2,847 and excess wind sales of \$4,474²² were reported.

Ms. Fredenberg advised PPC collected \$4,474 from the sale of excess wind kWhs to be used for heat that had not been added to page 4A of the PCE annual report.²³ In addition, she stated, “Also note that there are 58,125 kWhs included in Total kWhs Sold on page 5 of the Annual Report. The utility believes that, like INN,²⁴ those kWhs should be subtracted from kWhs Sales prior to calculating the new PCE rate. Those kWhs are sold for \$0.10/kWh and are not eligible for PCE...”²⁵

Staff notes the Commission’s position has been that costs incurred to acquire, administer, and maintain assets that generate additional revenue do not fit the criteria of “used and useful” in the sale of power and therefore, do not qualify for PCE subsidy.

Examples of these costs are depreciation and maintenance expense for a utility building that has rental office space, rental of utility equipment, poles that are rented to telephone or cable companies, or generators that have waste heat recovery systems. These costs are usually commingled with the utility’s eligible costs and a reduction to non-fuel costs by the amount of non-electric revenues has been the preferred approach. Therefore,

²¹ See supplement filed November 10, 2022 and Invoices: GE-20046.01 - \$8,568.26, GE-200333 - \$1,289.43, GE-20046.02 - \$369.74, GE-20046.04 - \$3,865.39, GE-20059 - \$6,664.24, and GE-20046.07 - \$7,467.08.

²² See Supplement filed September 27, 2022.

²³ See Supplement filed September 27, 2022.

²⁴ Staff believes Ms. Fredenberg is referencing INN’s order - U-00-105(2), *ORDER GRANTING, IN PART, AND DENYING, IN PART, INN’S REQUEST FOR RECONSIDERATION: AND APPROVING UPDATED PERMANENT PCE LEVELS*, dated September 7, 2000.

²⁵ See Supplement filed September 27, 2022.

Staff recommends **Adjustment 5 (Appendix 2)** to decrease non-fuel costs by \$7,424 (\$2,847 + \$4,474).

Staff notes PPC believes the 58,125 kWhs sold, from excess wind sales, should be subtracted from the kWh sold prior to calculating the new PCE amount. Staff notes the Commission includes all kWhs sold when calculating line loss and the PCE amount. The following Commission regulations relate to these calculations.

3 AAC 52.620 Generation efficiency and line loss standards.

(b) A line loss standard of 12 percent applies to all electricity sold, and is measured according to the following formula:

A line loss standard of 12 percent applies to all electricity sold, and is measured according to the following formula:

$$\text{Line Loss} = \frac{G - (S + E)}{G}$$

where

G equals all kilowatt-hours generated or purchased, from whatever source;

S equals kilowatt-hours sold; and

E equals station service, as defined in 3 AAC 52.519(a)

3 AAC 52.690 Definitions.

(4) "kilowatt-hour sold" means **all** electric energy delivered by a utility to consumers and includes energy furnished by the utility to a consumer free of charge (emphasis added).

3 AAC 52.610 Computation of power cost equalization.

(j) Fuel and nonfuel costs per kilowatt-hour are calculated by dividing the total fuel and nonfuel costs by the greater of the

(1) actual number of kilowatt-hours sold; or

(2) number of kilowatt-hours that would have been sold if the utility had achieved the line loss standards set out in 3 AAC 52.620.

The Commission uses all kWhs sold when calculating the PCE amount and line loss as referenced by the regulations above.

Staff notes in Kotzebue Electric Association, Inc.'s (KOTZEBUE) PCE annual report (PC91-0521), KOTZEBUE reported it was selling interruptible power to Manillaq Hospital

and had not included the kWh's sold in the total kWhs sold. The kWhs sold were added to the total sold for use in the PCE calculation.²⁶ Additionally, Staff notes in KOTZEBUE's PCE annual report (PC91-0515) KOTZEBUE decreased its reported Nonfuel costs by the revenue from Waste Heat sales and it included in the kWh sales both those kWhs generated from diesel and excess wind sales in the calculation of the line loss and PCE amount.²⁷

Below are a few utilities in which the Commission followed the same process referenced above.

Naknek Electrical Association, Inc.	PC32-0412
Alaska Village Electric Cooperative, Inc.	PC93-0513 & PC93-0516
Nushagak Electric & Telephone Cooperative, Inc.	PC81-0311
Inside Passage Electric Cooperative, Inc.	TA199-240 & PC89-0422

Fuel Costs

On October 26, 2022, PPC filed its most recent fuel report for fuel purchased between November 1, 2021 and October 31, 2022, this reflected a weighted average price of \$3.85/gallon for 65,202 gallons purchased on September 29, 2022.²⁸ Staff has included this data in its calculation of weighted average fuel price in Schedule BKC-1 and Appendix 2.

Line Loss Standards

PPC's reported line loss of 15.19% is higher than the 12% maximum allowed by 3 AAC 52.620(b). 3 AAC 52.610(j) states that fuel and nonfuel costs per kilowatt-hour are calculated by dividing total fuel and nonfuel costs by the greater of actual number of kilowatt-hours sold or the number of kilowatt-hours that would have been sold if the utility had achieved line loss standards. Staff recommends **Adjustment 6 (Appendix 2)** to increase PPC's reported kWh sales of 1,112,585 by 46,264 to equal 1,158,849 kWhs to meet the line loss standard of 12%.

²⁶ Approved in Letter Order L2100263, dated August 11, 2021.

²⁷ See PC91-0515, KOTZEBUE, approved in Letter Order L1500290, dated June 5, 2015.

²⁸ See 2020/2021 PCE Fuel Report (11/01/2020-10/31/2022), filed October 26, 2022.

PUVURNAQ POWER COMPANY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2021
Annual Update and Fuel Report

APPENDIX 1

	PC07-0417J		PC07-0422
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total kWh Generated/Purchased	1,428,460	1,449,119	1,449,119
B. Total kWh Sold (Appendix 2)	1,151,500	1,112,585	1,158,849
C. Total Non-Fuel Costs (Appendix 2)	347,659	534,930	431,358
D. Non-Fuel Cost/kWh (C / B)	\$0.3019	\$0.4808	\$0.3722
E. Total Fuel Costs (Appendix 2)	194,191	263,214	263,214
F. Fuel Costs/kWh (E / B)	\$0.1686	\$0.2366	\$0.2271
G. Eligible Costs/kWh (D + F)	\$0.4706	\$0.7174	\$0.5994
H. Eligible Cost/kWh (G) Less base rate per kWh	\$0.2748	\$0.5216	\$0.4036
I. The lesser of (H) or 80.42 cents/kWh	\$0.2748	\$0.5216	\$0.4036
J. Average Class Rates (Appendix 3)			
Safewater Facilities	\$0.4742	\$0.4742	\$0.4742
All Others	\$0.4742	\$0.4742	\$0.4742
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J)			
Safewater Facilities	\$0.2610	\$0.4742	\$0.3834
All Others	\$0.2610	\$0.4742	\$0.3834
L. Funding Level in Effect:	100%	100%	100%
Safewater Facilities	\$0.2610	\$0.4742	\$0.3834
All Others	\$0.2610	\$0.4742	\$0.3834

PC07-0422
Appendix 1

PUVURNAQ POWER COMPANY

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2021

Annual Update and Fuel Report

		PC07-0417J	PC07-0422		
		Prior Commission Approval	Per Utility	Staff Adjustments	Staff Recommended
Non-Fuel Costs:					
A.	Personnel Costs	231,232	286,243	Adj. #1 4,254	290,497
B.	Operating Expenses	25,209	136,858	Adj. #2 (74,709)	62,149
C.	General & Administrative	76,928	67,463	Adj. #3 (14,891)	52,572
D.	Depreciation	14,661	44,366	Adj. #4 (10,802)	33,564
E.	Interest Expense	2,476	-	-	0
F.	Other: Pole Rental Revenue	(2,847)	-	Adj. #5 (7,424)	(7,424)
G. Total Non-Fuel Costs		\$347,659	\$534,930	(\$103,572)	\$431,358
Fuel Costs:					
H.	kWh purchased from Calista during Test Year	143,317	0	0	0
I.	Puvurnaq power cost cost per kWh	0.00	0.00		0.00
Cost of purchased power		\$0	\$0		\$0
J.	Gallons Consumed for Electric Generation	69,430	68,368	0	68,368
K.	Price of Fuel:(per gal)	\$2.7969	\$3.8500		\$3.8500
	Weighted Average	\$194,191	\$263,214		\$263,214
L. Total Fuel Costs/Purchase Power		\$194,191	\$263,214		\$263,214
M.	M.1 kWh Purchased	143,317	0	Adj. #6 46,264	0
	M.2 kWh Generated Diesel	854,760	816,760		816,760
	M.3 kWh Generated Wind	430,383	632,359		632,359
	M.4 Total Generated/Purchased	1,428,460	1,449,119		1,449,119
N.	kWh Sales	1,151,500	1,112,585		1,158,849
O.	kWh Station Service	141,295	116,376		116,376
P.	Efficiency (M.2/J)	Standard ≥ 11.0	12.31	11.95	11.95
Q.	Line Loss	≤ 12%	9.50%	15.19%	-3.19%
(Total kWh Generated -(kWh sold+Station Service))/Total kWh Generated					

PC07-0422

Appendix 2

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: All Others

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to	0.6700		0.6700	502.5000		
to						
to						
to						
Max 750			Total	502.5000	0.6700	0.4742

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max 500			Total			

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWhRate Schedule: **Safewater Facility**

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to	0.6700		0.6700	0.474200
to				
to				

Rate Schedule:

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to				
to				
to				

Rate Schedule:

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to				
to				
to				

Rate Schedule:

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to				
to				
to				

PUVURNAQ POWER COMPANY

	Invoice Number	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory			78,569			
Last Approved Fuel Cost/Gal.				\$ 2.7969		
Beginning Fuel Inventory in Gallons	X	Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---->				\$ 219,750
Reporting Period Purchases	110925	09/29/22	65,202	5.1189		333,763
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
Totals for Reporting Period Purchases on this sheet:			65,202			333,763
Grand Totals (beginning inventory plus purchases)	A		143,771		B	\$ 553,512

Grand Total Cost divided by Grand Total Gallons = 3.8500 Weighted Avg. Cost per gallon
Purchases: Total Cost divided by Total Gallons Purchased = 5.1189 Weighted Avg. Cost per gallon

PUVURNAQ POWER COMPANY
TREND ANALYSIS

	2016	2021				
	Amended Expenses	Utility Filing	Variance \$	%	Staff Adjustments	Amended Expenses
Personnel Costs						
Total Wages	203,361	262,183	58,822	28.92%		262,183
Employer Paid Taxes	20,870	22,554	1,684	8.07%		22,554
Workers' Comp	7,001	1,506	(5,495)	(78.49%)	4,254	5,760
Total Personnel Expenses	231,232	286,243	55,011	23.79%	4,254	290,497
Operating Expenses						
Generator Oil	2,423	5,958	3,535	145.89%		5,958
Generator Filters	3,155	1,021	(2,134)	(67.64%)		1,021
Generator R & M	13,750	118,497	104,747	761.80%	(74,709)	43,788
Small Tools	0	1,128	1,128	100.00%		1,128
Equipment Rental	0	0	0	0.00%		0
Other	5,881	10,254	4,373	74.36%		10,254
Total Operating Expenses	25,209	136,858	111,649	442.89%	(74,709)	62,149
General and Administrative						
Outside Professional Services	14,849	3,346	(11,503)	(77.47%)	(27)	3,319
Insurance	10,701	23,719	13,018	121.65%	(13,054)	10,665
Office Supplies	7,095	1,738	(5,357)	(75.50%)		1,738
Postage	1,301	916	(385)	(29.59%)		916
Office Rent	0	0	0	0.00%		0
Travel	27,458	3,039	(24,419)	(88.93%)		3,039
Training	0	0	0	0.00%		0
Bad Debt Expense	0	0	0	0.00%		0
RCA Fees	39	390	351	900.00%	(351)	39
Other	15,485	34,315	18,830	121.60%	(1,459)	32,856
Total General & Administrative	76,928	67,463	(9,465)	(12.30%)	(14,891)	52,572
Interest Expense	2,476		(2,476)	(100.00%)		0
Other: Pole Rental revenue/heat	(2,847)	0	2,847	(100.00%)	(7,424)	(7,424)
Depreciation Expense	14,661	44,366	29,705	202.61%	(10,802)	33,564
TOTAL	347,659	534,930	187,271	53.87%	(103,572)	431,358
kWh Generated diesel	854,760	816,760	(38,000)	(4.45%)		816,760
kWh Generated wind	430,383	632,359	201,976	46.93%		632,359
kWh Purchased	143,317	0	(143,317)	(100.00%)		0
Total Generated/Purchased	1,428,460	1,449,119	20,659	1.45%		1,449,119
kWh Sold	1,151,500	1,112,585	(38,915)	(3.38%)	46,264	1,158,849
Gallons Consumed	69,430	68,368	(1,062)	(1.53%)		68,368
kWh Station Service	141,295	116,376	(24,919)	(17.64%)		116,376
Efficiency	12.31	11.95	(0.36)	(2.96%)		11.95
Line Loss	9.50%	15.19%	5.70%	59.97%	-3.19%	12.00%

Puvurnaq Power CompanySchedule of Depreciation and Amortization
FOR TEST YEAR ENDING:

December 31, 2021

<u>Asset</u>	<u>Date placed in service</u>	<u>Cost</u>	<u>Life</u>	<u>Accum Dep 12/30/20</u>	<u>Book Value 12/30/2020</u>	<u>2021 Depreciation</u>	<u>Accum Dep 12/31/2021</u>	<u>Book Value 12/31/2021</u>
New Powerline	2009	62,152	20	37,296	24,856	3,108	40,404	21,749
Smart Meters	2016	5,709	10	3,997	1,712	571	4,568	1,141
GE Mechanical - Overhaul #3	2017	36,403	5	29,124	7,279	7,279	36,403	-
GE Mechanical - Actuator #3	2017	1,790	5	1,432	358	358	1,790	-
GE Mechanical - Turbo Charger #3	2017	4,458	5	3,568	890	890	4,458	-
GE Mechanical - Install new core JD6090 Unit #2	2017	11,017	5	8,812	2,205	2,205	11,017	-
Amazon - LED Streetlights	2020	3,245	20	162	3,083	162	324	2,921
Repaired Fuel Tank	2020	14,193	5	2,839	11,354	2,839	5,678	8,515
GE Mechanical - Gen #3 Purchase	2020	12,500	3	4,167	8,333	4,167	8,334	4,166
GE Mechanical - Gen #1 Repairs	2020	28,224	3	9,408	18,816	9,408	18,816	9,408
Laptop	2020	3,459	6	577	2,882	577	1,154	2,305
Yaw Bushings	2020	10,000	5	2,000	8,000	2,000	4,000	6,000

Total Depreciation and Amortization

193,151	103,382	89,769	33,564	136,946	56,205
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Reported By Utility**Difference (Staff Recommended Adjustment)**

44,366

(10,802)**Signature:** Janis W. Wilson
Janis W. Wilson (Dec 1, 2022 08:23 AKST)**Email:** janis.wilson@alaska.gov**Signature:** Bob Doyle
Bob Doyle (Dec 1, 2022 08:51 AKST)**Email:** bob.doyle@alaska.gov**Signature:** Robert M. Pickett**Email:** bob.pickett@alaska.gov**Signature:** Daniel Sullivan
Daniel Sullivan (Dec 1, 2022 09:20 AKST)**Email:** daniel.sullivan@alaska.gov